56615--7
12/1/1989

NOVEMBER 1989

OREGON LABOR TRENDS

State of Oregon • Employment Division • Department of Human Resources

INDICATORS

UNEMPLOYMENT RATE

Oregon (Seas. Adj.)

Oct.	1989	5.3
Sept.	1989	5.2
Oct.	1988	5.5

United States (Seas. Adj.)

Oct.	1989	5.3
Sept.	1989	5.3
Oct.	1988	5.3

WAGE AND SALARY EMPLOYMENT INDEX

Oregon (1977=100)

Oct.	1989	128.4
Sept.	1989	128.0
Aug.	1989	127.8
July	1989	127.5
June	1989	127.2

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon

Sept.	1989	$10.91
Aug.	1989	$10.61
Sept.	1988	$10.45

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon

Sept.	1989	39.5
Aug.	1989	39.7
Sept.	1988	39.6

CONSUMER PRICE INDEX (CPI)

1982-84=100
ALL URBAN CONSUMERS

Portland-Vancouver	
Jan.-June 1989	119.3
Yearly change	5.0%
Annual Average 1988	114.7
Yearly change	3.4%
United States	
Oct. 1989	125.6
Yearly change	4.5%
Annual Average 1988	118.3
Yearly change	4.1%

Portland Hotline 221-4132

HOUSING STARTS AND CONSTRUCTION BOOM

Linda Burgin

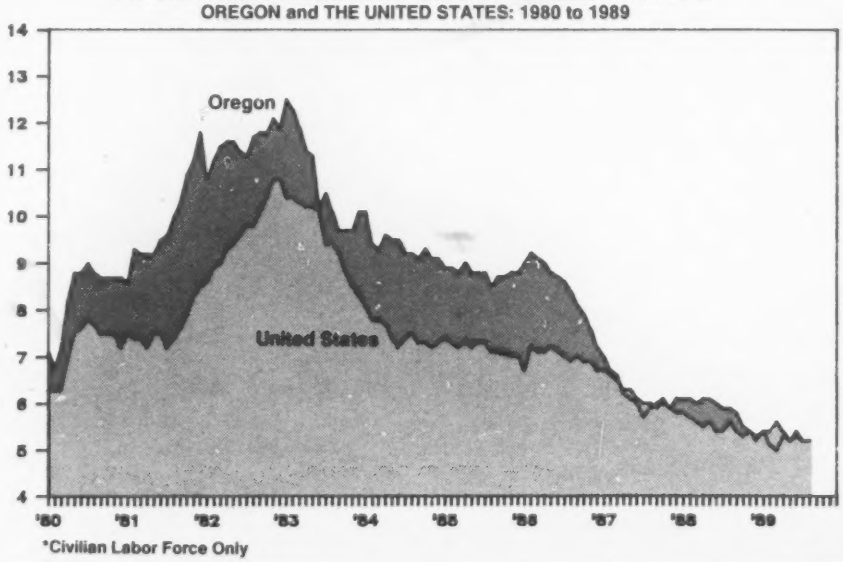
October was an interesting, eventful month. The nation weathered a stock market sell-off; San Francisco experienced a major earthquake; the largest employer (Boeing) in the Northwest was hit by a machinists' strike; and a Congressional compromise was negotiated concerning the volume of Federal timber sales in the Northwest, at least through September 1990.

Oregon's seasonally adjusted unemployment rate in October was 5.3 percent, up one tenth from September's rate. The U.S. unemployment rate was also 5.3 percent, unchanged from the previous month. There were 64,900 unemployed Oregonians in October, the lowest number unemployed in October since 1978. This was 2,600 fewer unemployed than one year ago. The Oregon nonfarm wage and salary employment index (1977=100) reached a new high of 128.4. We can interpret this to mean that Oregon now has 28.4 percent more jobs than in 1977. October's index was 3.8 points (or 3.0 percent) higher than the index reported for October 1988.

Current employment statistics indicate that the number of nonfarm payroll jobs in Oregon jumped by 8,100, almost twice the increase expected. Education employment strongly increased as schools returned to full strength. In retail trade, several new stores across the state boosted general merchandise employment to 30,900 and food stores to 40,000. Services, hotels, amusements & recreation, and health services all lost fewer jobs than normal for this time of year.

Most manufacturing employment appeared stable in October with a few exceptions. One exception was food & kindred products, which lost 1,200 jobs as harvesting and processing activity slowed.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES*
OREGON and THE UNITED STATES: 1980 to 1989



*Civilian Labor Force Only

LUMBER AND WOOD PRODUCTS

TIMBER HARVEST

Figures recently released by the Department of Forestry indicate that for both the National Forests and the state as a whole, 1988 was the second highest timber harvest level since 1973. In 1988, Oregon's timber harvest, in billions of board feet, was:

National Forests	3.5
BLM	1.4
State Lands	0.3
Forest Industry	2.7
Private Nonindustrial	0.6
Other	0.1
TOTAL	8.6

The 1988 Washington harvest totaled 7.0 billion board feet, with only 1.5 billion coming from National Forest land.

. . .1988 was the second highest timber harvest level since 1973.

CURRENT SITUATION

Logging employment has been suffering, as employment in October was at the lowest October level since 1982. Traditional mill employment has also declined in recent years. Combined employment in the two sectors of sawmills & planing mills and veneer & plywood was at its lowest October level since 1985. The three remaining sectors of lumber & wood products (millwork & structural wood; mobile homes; and other lumber & wood) combined for their highest October employment levels of the 1980s. Their gains, however, did not make up for the previously mentioned losses.

The Forest Service has about 5.1 billion board feet of timber under contract (sold, but not harvested) in the spotted owl forests of Washington and Oregon. BLM has about 1.2 billion. Overall, a little more than a one year supply is under contract with these public agencies on the owl forests. In the 1980s, a two to three year supply under contract has been more common.

Some timber firms have relatively little timber in the pipeline.

Some timber firms have relatively little timber in the pipeline. Willamette Industries, for instance, had about a one year supply of federal timber under contract in October, according to recent news reports.

CONGRESSIONAL COMPROMISE

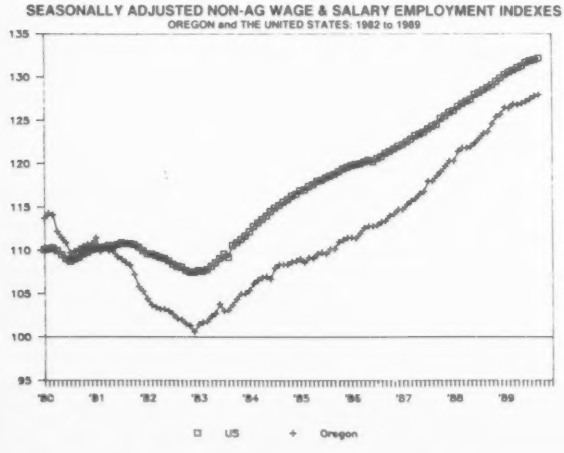
The compromise, known as the Hatfield-Adams Amendment or Section 318 of the Department of Interior and Related Agencies FY 1990 Appropriations Act, is designed to allow federal old growth timber to be harvested while attempting to maintain spotted owl habitat. The major provisions are:

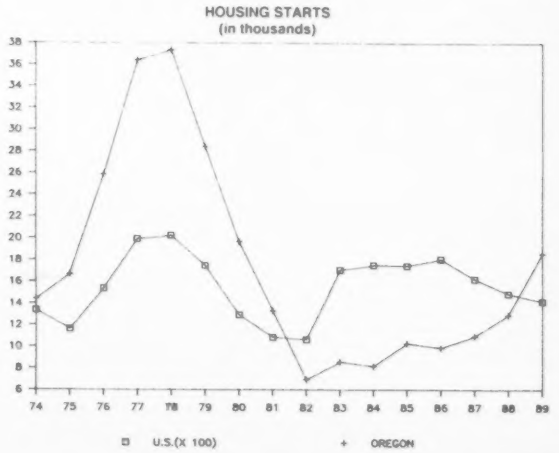
1. The Forest Service will offer for sale 7.7 billion board feet of Oregon and Washington sawtimber in federal fiscal years 1989 and 1990. As 1.9 billion has already been sold, an additional 5.8 billion must be offered for sale in the next year. Judge Dwyer's ruling had held 1.8 billion feet from the market in federal fiscal year 1989. To help meet the compromise sales level, 1.1 billion board feet of sawtimber will be released in federal fiscal year 1990, with the location of the sales to be selected by the environmentalists. The Amendment directs BLM to sell 1.9 billion board feet over the two year period, with 0.8 billion board feet already sold.
2. Court appeals of the sales will be expedited. Sales themselves should minimize fragmentation of old growth and avoid spotted owl habitat. The National Forest Plans, which will govern how the National Forests will be managed during the 1990s, are to be completed by September 30, 1990.

THE BOEING MACHINIST STRIKE

Employment plunged in the transportation equipment industry in October as approximately 1,700 Boeing machinists were on strike in the Portland area for most of the month.

According to Linda Richardson, Public Relations Manager for Boeing of Portland/Fabrication Division, the range of wage rates for machinists was between $8.88 and $18.50 per hour. Using Employment Division 1988 unemployment insurance tax data for SIC 3728 (Aircraft Parts and Auxiliary Equipment), we can estimate that the machinists were paid an average of $721 per





RESIDENT OREGON LABOR FORCE

	OCT.[1] 1989	SEP.[2] 1989	CHANGE	%CHANGE	OCT.[3] 1988
CIVILIAN LABOR FORCE[3]	1,416,800	1,419,900	-3,100	-0.2	1,411,300
UNEMPLOYMENT	64,900	66,600	-1,700	-2.6	67,500
PERCENT OF LABOR FORCE	4.6	4.7	XXX	XXX	4.8
SEASONALLY ADJUSTED PERCENT	5.3	5.2	XXX	XXX	5.5
TOTAL EMPLOYMENT[4]	1,351,900	1,353,300	-1,400	-0.1	1,343,800

[1]*Preliminary.*
[2]*Revised.*
[3]*Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting.*
[4]*Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants.*
[5]*Due to revised estimating procedures between December 1988 and January 1989, data for 1989 and that of previous years are not strictly comparable.*

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT (BY PLACE OF WORK)

INDUSTRY	OCT.[1] 1989	SEP.[2] 1989	OCT. 1988	CHANGE FROM SEP. 1989	CHANGE FROM OCT. 1988
TOTAL[3]	1,223,500	1,215,400	1,187,200	8,100	36,300
WAGE & SALARY EMPLOYMENT INDEX[4]	128.4	128.0	124.6	XXX	XXX
TOTAL MANUFACTURING	222,400	226,800	220,600	-4,400	1,800
DURABLE GOODS	158,500	161,100	158,500	-2,600	0
LUMBER & WOOD PRODUCTS	68,100	68,900	69,900	-800	-1,800
LOGGING & SAWMILLS	34,700	35,100	36,300	-400	-1,600
VENEER & PLYWOOD	16,300	16,400	16,900	-100	-600
MILLWORK & STRUCTURAL WOOD	10,800	10,900	10,400	-100	400
MOBILE HOMES	1,800	1,900	1,800	-100	0
OTHER WOOD PRODUCTS	4,500	4,600	4,500	-100	0
FURNITURE AND FIXTURES	2,900	2,900	2,700	0	200
STONE, CLAY, GLASS & CONCRETE	4,700	4,600	4,500	100	200
PRIMARY METALS	11,500	11,400	10,400	100	1,100
BLAST FURNACES, IRON & STEEL	6,800	6,700	6,100	100	700
NONFERROUS METALS	4,700	4,700	4,300	0	400
FABRICATED METALS	10,900	10,900	11,500	0	-600
FABRICATED STRUCTURAL METALS	4,500	4,500	4,800	0	-300
OTHER FABRICATED METALS	6,400	6,400	6,700	0	-300
MACHINERY	18,600	18,700	17,500	-100	1,100
ELECTRICAL EQUIPMENT & SUPPLIES	17,300	17,200	15,700	100	1,600
TRANSPORTATION EQUIPMENT	9,700	11,600	10,800	-1,900	-1,100
INSTRUMENTS & RELATED PRODUCTS	11,000	11,200	11,700	-200	-700
MISCELLANEOUS MANUFACTURING	3,800	3,700	3,800	100	0
NONDURABLE GOODS	63,900	65,700	62,100	-1,800	1,800
FOOD & KINDRED PRODUCTS	28,500	29,700	28,000	-1,200	500
CANNING & PRESERVING	16,400	18,000	16,300	-1,600	100
OTHER FOOD PRODUCTS	12,100	11,700	11,700	400	400
TEXTILE MILL PRODUCTS	1,700	1,700	1,700	0	0
APPAREL	2,600	2,700	2,700	-100	-100
PAPER & ALLIED PRODUCTS	9,100	9,200	8,400	-100	700
PRINTING & PUBLISHING	13,800	13,900	13,500	-100	300
CHEMICALS & ALLIED PRODUCTS	2,300	2,400	2,200	-100	100
PETROLEUM REFINING	500	600	600	-100	-100
RUBBER & PLASTIC PRODUCTS	4,800	4,900	4,500	-100	300
LEATHER PRODUCTS	600	600	500	0	100
TOTAL NONMANUFACTURING	1,001,100	988,600	966,600	12,500	34,500
MINING & QUARRYING	1,700	1,700	1,500	0	200
CONSTRUCTION	46,900	47,100	42,700	-200	4,200
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	64,400	64,900	61,900	-500	2,500
TRANSPORTATION	42,600	43,000	40,500	-400	2,100
RAILROAD	3,900	3,900	4,000	0	-100
TRUCKING & WAREHOUSING	23,600	23,800	22,400	-200	1,200
OTHER TRANSPORTATION	15,100	15,300	14,100	-200	1,000
COMMUNICATIONS	12,900	13,000	12,700	-100	200
UTILITIES	8,900	8,900	8,700	0	200
TRADE	314,200	314,600	301,200	-400	13,000
WHOLESALE TRADE	79,800	79,900	74,400	-100	5,400
DURABLE GOODS	46,500	46,300	43,100	200	3,400
NONDURABLE GOODS	33,300	33,600	31,300	-300	2,000
RETAIL TRADE	234,400	234,700	226,800	-300	7,600
GENERAL MERCHANDISE	30,900	30,000	29,700	900	1,200
FOOD STORES	40,000	39,800	39,000	200	1,000
AUTO DEALERS & SERVICE STATIONS	28,300	28,700	28,500	-400	-200
OTHER RETAIL TRADE	135,200	136,200	129,600	-1,000	5,600
FINANCE, INSURANCE, & REAL ESTATE	75,200	75,600	74,200	-400	1,000
BANKING & CREDIT AGENCIES	23,400	23,600	23,500	-200	-100
OTHER FINANCE, INSURANCE, & REAL ESTATE	51,800	52,000	50,700	-200	1,100
SERVICES	278,300	277,600	267,600	700	10,700
HOTELS & PERSONAL SERVICES	28,400	28,800	27,800	-400	600
HEALTH SERVICES	84,600	84,700	79,000	-100	5,600
OTHER SERVICES	165,300	164,100	160,800	1,200	4,500
GOVERNMENT	220,400	207,100	217,500	13,300	2,900
FEDERAL GOVERNMENT	32,400	33,000	32,700	-600	-300
STATE GOVERNMENT	60,100	55,400	60,200	4,700	-100
EDUCATION	25,800	20,100	25,200	5,700	600
OTHER STATE	34,300	35,300	35,000	-1,000	-700
LOCAL GOVERNMENT	127,900	118,700	124,600	9,200	3,300
EDUCATION	80,900	70,600	78,900	10,300	2,000
OTHER LOCAL	47,000	48,100	45,700	-1,100	1,300
LABOR – MANAGEMENT DISPUTES	2,000	400	800	1,600	1,200

[1]*Preliminary.*
[2]*Revised.*
[3]*Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. Note: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.*
[4]*Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's Annual Average Employment (774,300) and that of 1977 (936,900).*

week, but this is probably a conservative estimate. After deducting the $100 per week that the machinists were getting for strike benefits, calculations show that for each week that the machinists were on strike, approximately $1,055,700 in wages was lost to the Portland workers. The machinists were on strike for seven weeks (that's over $7 million!)

A central tenet of economic theory is that a loss of income in a basic sector of the economy, whatever its source, will cause a decrease in total state income that is greater than the initial drop in income. This multiplier is the ratio of change in total state income to the initial change in the basic sector's income. According to Hans Radtke, a consulting economist, the income multiplier for the aircraft and missile equipment industry is at least 2.4. This means that, overall, the Portland area could lose almost $18 million in income because of the strike. The Seattle area could lose in the neighborhood of $449 million. These estimates do not include income which was lost because Boeing suppliers laid off employees due to the machinist strike.

On November 20, the International Association of Machinists and Aerospace Workers voted overwhelmingly to approve a 3-year contract with Boeing. They returned to work November 22.

CONSTRUCTION EMPLOYMENT

In October, construction employment declined by 200, one fourth the expected seasonal drop. With 46,900 workers, this reflects the best October for construction since 1980, far above the recession's worst October (29,400 workers in 1982). General contractors had 11,800 workers; plumbing, heating, and air conditioning employed 5,900; and electrical employed 6,200. All of these industries exceeded expectations.

HOUSING PERMITS & STARTS

It is not surprising that Oregon's housing industry continues to prosper. According to Mike Murphy, Economist for the Oregon Housing Agency, single-family housing permits rose 20.4 percent (7,163 to 8,622) between September 1988 and September 1989 while multi-family housing permits shot up 137 percent (3,614 to 8,573). Total permits were up 59.6 percent during this period.

Housing permits can be converted to housing starts. Because there is a time lag between the issuance of the permit and when actual construction begins, adjustment figures are based on a lag factor. The factor also recognizes that not all units authorized by permit will be constructed. Census estimates indicate that two percent never get started, but in a recession this is much higher.

According to David Small, Senior Economist in the Office of Economic Analysis, housing starts in Oregon will jump 44 percent from 1988 to 1989, from 12,900 starts in 1988 to 18,600 starts by the end of 1989. The 1989 level is the highest since 1980 (19,600 starts). He also estimates that starts will go down to 14,600 in 1990 and to 13,800 in 1991.

. . .housing starts in Oregon will jump 44 percent from 1988 to 1989. . .

Nationally, housing starts were up 12 percent in October from September's seven year low. Government analysts think that this increase was partially because the Fed has been gradually easing interest rates from March's 11.2

STATE OF OREGON UNEMPLOYMENT RATES BY AREA

October 1989

	Civilian Labor Force	Total Employment	Unemployment	Rate[1]
State of Oregon	1,416,800	1,351,900	64,900	4.6
Eugene MSA[2]	143,100	136,900	6,200	4.3
Medford MSA[3]	71,180	67,890	3,290	4.6
Portland PMSA[4]	646,400	618,500	27,900	4.3
Salem MSA[5]	133,600	128,100	5,500	4.1
Baker	6,700	6,370	330	4.9
Benton	36,910	35,910	1,000	2.7
Clatsop	17,310	16,320	990	5.7
Columbia	16,520	15,520	1,000	6.1
Coos	25,910	23,960	1,960	7.5
Crook	6,720	6,380	340	5.1
Curry	9,070	8,600	470	5.2
Deschutes	36,900	34,910	1,990	5.4
Douglas	43,800	41,410	2,390	5.5
Gilliam	900	860	40	4.4
Grant	4,270	4,120	150	3.5
Harney	4,090	3,840	250	6.1
Hood River	9,610	9,220	390	4.1
Jefferson	6,950	6,700	250	3.6
Josephine	25,810	24,220	1,590	6.2
Klamath	24,870	23,550	1,320	5.3
Lake	3,970	3,710	260	6.5
Lincoln	19,390	18,500	890	4.6
Linn	40,670	38,210	2,460	6.0
Malheur	13,680	13,220	460	3.4
Morrow	4,150	3,930	220	5.3
Sherman	720	690	30	4.2
Tillamook	8,830	8,370	460	5.2
Umatilla	29,820	28,200	1,620	5.4
Union	11,100	10,640	460	4.1
Wallowa	3,920	3,800	120	3.1
Wasco	9,350	8,840	510	5.5
Wheeler	580	550	30	5.2

[1]Not Seasonally Adjusted
[2]Lane County
[3]Jackson County
[4]Clackamas, Multnomah, Washington, Yamhill counties
[5]Marion and Polk counties

percent peak to 9.8 percent by the end of October. However, total U.S. housing starts were down 5 to 6 percent from October 1988 to October 1989.

POPULATION GROWS

Oregon's population increased 50,000 to 2,791,000 during the 12 months ending July 1, 1989, according to a preliminary estimate released by the Portland State University Center for Population Research and Census. According to Dr. Howard Wineberg, Estimates Program Manager, this increase represents 16,500 more births than deaths plus a net migration to the state of about 33,500. Oregon's large population increase continues to reflect good job prospects due to a strong economy across much of the state.

Oregon's large population increase continues to reflect good job prospects due to a strong economy across much of the state.

While the October 13 stock market sell-off accentuated the vulnerability of financial and foreign exchange markets and introduced additional uncertainty into the economic outlook, the San Francisco earthquake accentuated our vulnerability in other, more personal ways, and introduced additional uncertainty into our future. Certainly it caused many of us to examine our homeowners' policies for evidence of earthquake insurance. (Yes, Virginia, there is a fault that runs through Portland! This gives a whole new perspective to the phrase 'finding fault.') It was interesting to see the San Francisco area return to normal only days after the quake. This included the San Francisco Regional Bureau of Labor Statistics (BLS) staff, who provided on-site reports to interested BLS state staff. The San Francisco quake caused many of us to wonder: if Oregon were hit by an earthquake or other such disaster, would we bounce back as well?

In any event, considering the low numbers of unemployed Oregonians coupled with only moderate inflation, strong housing starts and employment levels in construction and other industries, last month was the best October that Oregon has had in many years. □

FEDS SHOP IN LABOR SURPLUS AREAS

Jeff Hannum

Effective October 1 of each year, the U.S. Department of Labor designates a number of local areas throughout the United States and Puerto Rico as "labor surplus areas." These are areas with recent high unemployment rates to which federal procurement contracts can be directed. Employers located in a labor surplus area, or which agree to carry out over half of the contract in one of these areas, are eligible for preference in bidding on certain federal contracts worth approximately $2.5 billion each year.

Rather than classifying these areas by metropolitan area or by labor market area, the Department of Labor classifies them on the basis of civil jurisdictions. At present, these are defined as all cities with a population of at least 25,000 and all counties (or balance of counties less cities of 25,000 or more).

A civil jurisdiction is classified as a labor surplus area when its average unemployment rate is at least 20% above the average unemployment rate for the nation during the previous two calendar years. Two exceptions may occur during periods of high or low national unemployment. During periods of high national unemployment (i.e. a rate above 8.3%), an area is classified as a labor surplus area if its average rate is 10% or more. During periods of low national unemployment (i.e. a rate below 5.0%), a 6.0% 'floor' comes into effect. No area with an unemployment rate of less than 6.0% would be considered a labor surplus area.

Under certain exceptional circumstances, an area not meeting any of the above criteria may be considered a labor surplus area if a significant increase in unemployment takes place which is not reflected in the rate for the previous two years.

In 1987-88, the average unemployment rate for the U.S. (including data for Puerto Rico) was 5.9%. Therefore, the new qualifying rate for labor surplus areas is 7.1% (1.2 times 5.9 equals 7.1). The accompanying table lists 23 areas in Oregon which were designated labor surplus areas by the U.S. Department of Labor for the period October 1, 1989, to September 30, 1990. This list is identical to last year's Oregon list with the only exception being the City of Albany no longer qualifies since its 1987-88 unemployment rate averaged 6.5%. A complete list of all of the nearly 1,700 labor surplus areas in the nation appears in the U.S. Department of Labor's monthly publication entitled **Area Trends in Employment and Unemployment**.

Employers interested in bidding on federal procurement contracts should consult the **Commerce Business Daily** which lists federal contracting requirements and indicates those to be awarded under preference procedures. The Auburn Business Service Center of the General Services Administration can provide additional information concerning federal contracting opportunities in Alaska, Idaho, Oregon and Washington.

Contact:

General Services Administration
Attn: Wiletta Brown
GSA Center, Room 2413
Auburn, WA 98001
Ph. (206) 931-7956
□

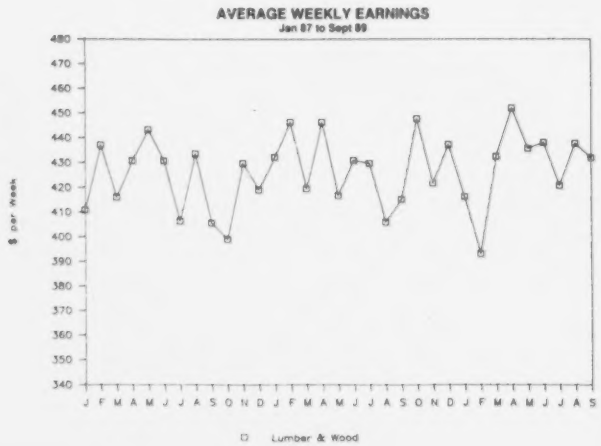
Oregon Labor Surplus Areas
Eligible for Federal Procurement Preference
October 1, 1989 through September 30, 1990

Baker County
Columbia County
Coos County
Crook County
Deschutes County
Douglas County
Grant County
Harney County
Hood River County
Josephine County
Klamath County
Lake County
Linn County less Albany City
Malheur County
Morrow County
Sherman County
Springfield City in Lane County
Tillamook County
Umatilla County
Union County
Wallowa County
Wasco County
Wheeler County

AUTUMN LEAVES

Gary Sincick

September hours & earnings data, inevitable as the falling leaves, have once again been raked out of our statistical backyard and are gathered here for perusal. The biggest winner last month was textile mill products which posted the largest percentage increase of any industry in all three hours & earnings categories. A $0.52 gain in average hourly earnings (+7.9%) as an increase of 3.3 in average weekly hours (+10.2%) combined to push its average weekly earnings up $40.23 to $253.11 (+18.9%). The bulk of this change, however, was simply a return to normal activity from August when several plants temporarily cut their hours and payroll but kept employment levels steady.



AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Sep.[2] 1989	Aug.[3] 1989	Sep. 1988	Sep.[2] 1989	Aug.[3] 1989	Sep. 1988	Sep.[2] 1989	Aug.[3] 1989	Sep. 1988
TOTAL MANUFACTURING[4]	$430.95	$421.22	$413.82	39.5	39.7	39.6	$10.91	$10.61	$10.45
Durable Goods	442.73	435.31	420.79	39.6	39.9	39.4	11.18	10.91	10.68
Lumber & Wood Products	431.84	437.70	415.03	38.8	39.9	38.5	11.13	10.97	10.78
Logging & Sawmills	465.66	472.35	426.16	39.0	40.2	36.3	11.94	11.75	11.74
Veneer & Plywood	415.49	422.26	440.77	38.4	39.5	41.7	10.82	10.69	10.57
Millwork & Structural	366.27	368.00	349.67	38.8	39.4	39.6	9.44	9.34	8.83
Mobile Homes	330.28	345.98	319.79	35.9	38.7	37.8	9.20	8.94	8.46
Other Wood Products	414.85	419.29	418.00	39.1	40.2	40.0	10.61	10.43	10.45
Furniture & Fixtures	384.80	366.11	313.11	40.0	37.9	35.5	9.62	9.66	8.82
Primary Metals	503.03	479.35	516.89	41.3	40.9	43.4	12.18	11.72	11.91
Fabricated Metals	402.34	395.07	388.23	39.6	39.0	39.9	10.16	10.13	9.73
Machinery (Ex Electrical)	446.88	436.91	434.58	39.9	39.9	39.4	11.20	10.95	11.03
Nondurable Goods	399.99	387.70	397.18	39.1	39.4	40.2	10.23	9.84	9.88
Food & Kindred Products	323.08	315.20	317.98	38.6	39.4	39.5	8.37	8.00	8.05
Canning & Preserving	278.78	273.74	277.90	38.4	39.5	39.7	7.26	6.93	7.00
Other Food Products	419.64	413.17	411.72	39.0	39.2	39.1	10.76	10.54	10.53
Textile Mill Products	253.11	212.88	219.78	35.8	32.5	33.2	7.07	6.55	6.62
Apparel	266.13	263.07	241.40	39.9	39.5	38.5	6.67	6.66	6.27
Paper & Allied Products	639.63	610.90	670.60	41.4	41.0	45.9	15.45	14.90	14.61
Printing & Publishing	486.41	470.50	476.01	38.3	37.7	38.7	12.70	12.48	12.30
Construction[4]	568.42	551.07	540.92	38.2	37.9	37.8	14.88	14.54	14.31
Communications & Utilities[5]	540.47	546.56	537.89	41.1	41.5	41.6	13.15	13.17	12.93
Trade[5]	325.49	319.90	315.00	34.7	35.0	35.0	9.38	9.14	9.00
Wholesale Trade	431.67	411.79	422.07	38.1	37.3	38.9	11.33	11.04	10.85
Retail Trade	270.27	270.61	260.37	33.0	33.7	33.0	8.19	8.03	7.89
Banking & Insurance[5]	342.43	345.59	344.31	36.9	37.2	38.6	9.28	9.29	8.92
State & Local Government	420.03	421.43	397.25						

[1]Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.
[2]Preliminary
[3]Revised
[4]Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.
[5]Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

Paper & allied products registered a $28.73 rise in weekly earnings (+4.7%) bringing its September average up to $639.63, virtually equaling its level in January 1989 of $638.18. In the interim, though, weekly earnings in this industry have bounced about quite vigorously, hitting a peak of $690.24 in March and bottoming out last month at $610.90.

"These data seem to change randomly on a monthly basis, so what good are they?"

Manufacturing, as a whole, increased its average weekly earnings by just 2.3%, largely due to an across-the-board drop in all lumber & wood products industries (-1.3%). Mobil home manufacturing fared the worst, dropping $15.70 to an average of $330.28 (-4.5%). Before jumping to the conclusion that this is hard evidence of a decline in this industry, it should be noted that, while dropping last month, the average weekly wage in forest products industries rose 4.0% in August. However, this was preceded by a 3.9% drop in July. In fact, looking back over the last twelve months, this statistic has increased six times and decreased six times, alternating nearly every month, for a net positive change of 4.0%.

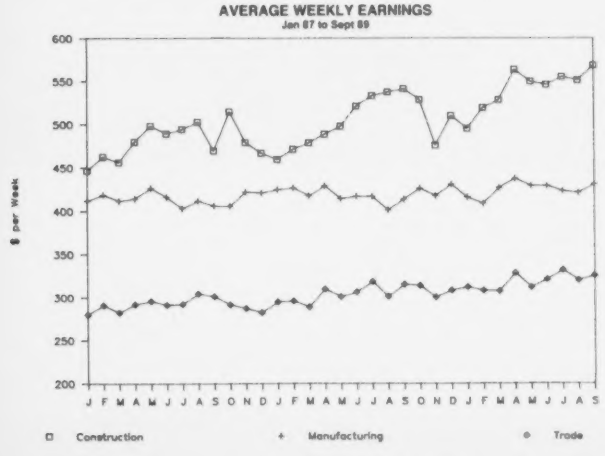
At this point, newcomers to hours & earnings statistics might be inclined to ask, "These data seem to change randomly on a monthly basis, so what good are they?" Veteran observers, however, may be led to ask, "These data seem to change randomly on a monthly basis, so what good are they?" The answer, of course, is to take a broader perspective that minimizes short-run fluctuations and emphasizes long-run trends. Monthly fluctuations of hours & earnings data seldom, if ever, reflect long-term trends. Gains or losses one month are likely to be balanced by a counteracting movement within another month or two, resulting in a virtually flat long-term growth trend. Searching for significant trends in one month changes in hours & earnings data is like looking for evidence of the greenhouse effect in the daily weather patterns.

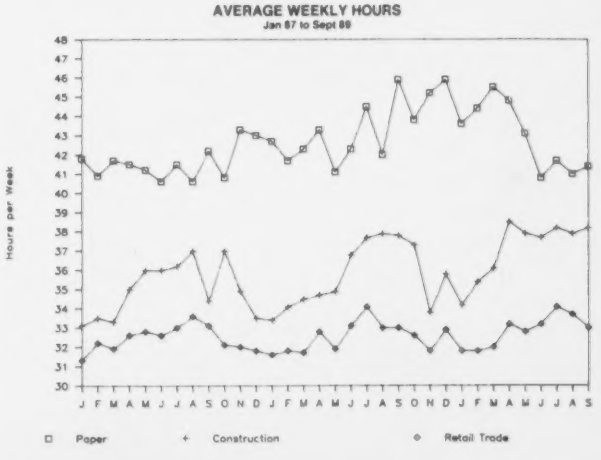
. . .before igniting this pile of autumnal statistics, take a few steps back and admire the view from afar.

In view of this, all the accompanying graphs depict changes that have occurred over the last 33 months. It can be seen that a given data series generally has a well-defined range of fluctuation. It is the movement of this entire range over time (or lack thereof) that describes real economic trends. Looking again at earnings in the lumber & wood products industry, this time over the 33 month period, the meaningful trend becomes apparent. The range of fluctuation of this data series has remained virtually horizontal since January 1987. Were these data to be adjusted for inflation, the result would be a decline in real average weekly wages.

Once viewed from a long-run standpoint, these data also become more useful for demonstrating the qualitative differences between various industry groups. The 33 month data series graph for average weekly earnings illustrates some major disparities between construction, manufacturing, and trade industries. Of the three, only construction has shown strong wage growth over this period, whereas manufacturing has remained virtually flat. In January 1988, average weekly wages in construction exceeded those in manufacturing by just $34.46; that gap has since widened to $137.47 in September 1989. The relative volatility of construction's weekly wages reflects the seasonal nature of that industry, evidence of which can also be seen in the average weekly hours graph. Average hours worked per week in construction varies by about 4 hours depending upon the time of year.

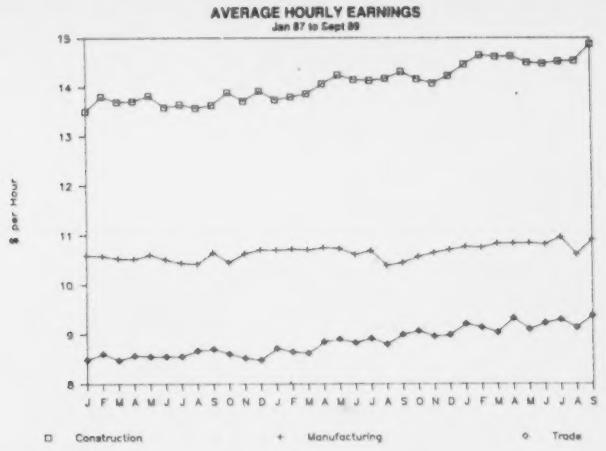
The average weekly hours graph also points out the range between the industries with the highest and the lowest weekly hours. Paper & allied products, with its propensity to work its relatively high-paid crews overtime rather than hire new employees, has never averaged less than 40 hours per week for the period shown, and peaked at 45.9 twice during 1988. At the other end of the spectrum, retail trade, with its high proportion of relatively low-paid part-time employees, averaged more than 34 hours per week only twice over the same 33 month period. A cyclical





pattern can be seen as more part-time employees are added towards the holiday season each year.

Many incorrect and misleading inferences have been made about the economy based on a myopic view of the data. So remember...before igniting this pile of autumnal statistics, take a few steps back and admire the view from afar. □



JSEC SEMINARS

THE PROBLEM EMPLOYEE

Motivating and Working With Your Staff
The Inn at Otter Crest
Otter Rock, Oregon
December 5. . .8:00 a.m.-12:00 noon
Call J. Bentley Bell, phone 265-8891
or Ralph Evans, phone 265-8891

ENERGIZING YOUR WORK FORCE

(Build A Motivated Productive Team)
Moose Lodge
Roseburg, Oregon
December 5. . .7:15 a.m.-12:00 noon
Call Brenda Pyle, phone 440-3344
or Kathi Joy, phone 672-2648

PROTECTING YOUR BUSINESS FROM ALLEGATIONS OF WRONGFUL DISCHARGE

Inn at the Coliseum
Portland, Oregon
December 6. . .7:30 a.m.-11:30 a.m.
Call Jerry Fugere, phone 280-6004
or Martin Burrows, phone 280-6046

INCREASE PRODUCTIVITY BUILD A PRODUCTIVE TEAM EMPLOYEE MOTIVATION

Sunrise Restaurant (formerly Hi Ho)
Clackamas, Oregon
December 12. . .7:15 a.m.-11:30 a.m.
Call Cathie Moravec, phone 657-2126
or Jerry Howard, phone 657-2078 □

LMI LABOR MARKET INFORMATION

STATE OF OREGON

OREGON LABOR TRENDS is published monthly by the Research and Statistics Section of the Oregon Employment Division,

D. R. Steward, Assistant Administrator
Perky Collins, Typesetting
Carol Schmidt, Graphic Artist
Jeffry Hannum, State Economist & Editor.

Please send any address changes to Research & Statistics, LMI Programs Unit, Room 207, 875 Union Street N.E., Salem, OR 97311 or Phone (503) 378-8657.

Material contained in this publication is in the public domain and may be reproduced without special permission. Please credit **OREGON LABOR TRENDS**, Oregon Employment Division.

STATE OF OREGON
EMPLOYMENT DIVISION
DEPARTMENT OF HUMAN RESOURCES
875 UNION STREET N.E.
SALEM, OREGON 97311

OFFICIAL BUSINESS
PENALTY FOR PRIVATE
USE $300

U.S.MAIL

POSTAGE AND FEES PAID
EMPLOYMENT SECURITY MAIL
LAB 449

90005038-21
CONGRESSIONAL INFORMATION SVC DEPT
SRI
4520 EAST-WEST HIGHWAY
BETHESDA MD 20814